

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

INTELLOFAX 25

COUNTRY China

DATE DISTR 12 APR 81

SUBJECT Commercial Activities in Kwangtung

NO. OF PAGES 1

PLACE
ACQUIREDDATE OF
INFO.NO. OF ENCLS.
(LISTED BELOW)

25X1

SUPPLEMENT TO
REPORT NO.REFERENCE COPY
DO NOT CIRCULATE

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE SPIONAGE ACT OF 1917, 50 USC 3231. IT IS HEREBY DECLARED THAT THE TRANSMISSION OR THE REVELATION OF ITS CONTENTS TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. VIOLATION OF THIS ACT IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION 25X1

1. Large quantities of cement, metal, and lumber are being transported from Huiyang (114-26, 23-05) to Swatow, Haifeng (115-20, 22-58) and Lufeng (115-38, 22-58) for construction of coastal defenses. 25X1
2. The highway between Tanshui (114-28, 22-47) and Aot'ou (113-15, 24-44) is a part of the trade route to and from Hong Kong. Rice and opium are the principal commodities going out of China and gasoline and other materials are coming in from Hong Kong. Some soldiers are engaged in smuggling in this trade.
3. Canton authorities are requiring all merchants to deposit their daily earnings in cash with the People's Bank, and are levying a 20 percent tax on all profits. If a merchant wishes to disburse money, he must first secure approval from the Bank. The manager of any firm may withdraw only JPY 400,000 per month as salary.
4. Village authorities in Kwangtung are requiring all persons to register their livestock, cash, gold bars, and foreign currencies. Then when asked for funds to buy ammunition for troops in Korea, these persons cannot say they have no money. The price of a cartridge in JPY 2,000 and of a hand grenade, JPY 20,000.

25 YEAR RE-REVIEW

| | |
|---------------------------------------|-------------------------------------|
| Document No. | 012 |
| No Change in Class. | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> Declassified | |
| Class. Changed To: | IS S |
| Auth: | HR 70-2 |
| Date: | 14/08/78 |
| By | |

25X1

01

| CLASSIFICATION | | | | CONFIDENTIAL | | | | | | | | | | | |
|----------------|-------------------------------------|------|-------------------------------------|--------------|--|--|--|--|--|--|--|--|--|--|--|
| STATE | <input checked="" type="checkbox"/> | NAVY | <input checked="" type="checkbox"/> | NSRB | | | | | | | | | | | |
| ARMY | <input checked="" type="checkbox"/> | AIR | | FBI | | | | | | | | | | | |